



STATE BOARD OF EQUALIZATION
450 N STREET, SACRAMENTO, CALIFORNIA, 95814
(PO BOX 942879, SACRAMENTO, CA 94279-0081
916-322-2270 • FAX 916-324-3984
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First District, San Francisco

BILL LEONARD
Second District, Sacramento/Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
May 24 – 25, 2005
NOTICE AND AGENDA**

Tuesday May 24, 2005

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of the items on the agenda.

BOARD COMMITTEE MEETINGS* (convene at 9:30 a.m.)

**CUSTOMER SERVICES AND ADMINISTRATIVE.....Mr. Leonard, Chair
EFFICIENCY COMMITTEE**

1. Petition to amend the Rules of Practice - Recommended policies regarding:
(1) additional time for oral hearings; (2) Board agendas; and (3) Board opinions.

PROPERTY TAX COMMITTEE..... Mr. Parrish, Chair

1. Proposed adoption of *Guidelines for the Assessment of Historical Properties*

BOARD MEETING (convenes upon adjournment of the Board Committee Meetings)**

ORAL HEARINGS

**A. HOMEOWNER AND RENTER PROPERTY TAX ASSISTANCE HEARING
(Contribution Disclosure forms required pursuant to Govt. Code § 15626)**

- A1 Ida Hunter-Lawton, 281312
For Claimant: Ida Hunter-Lawton, Taxpayer
For Franchise Tax Board: Suzanne Small, Tax Counsel

B. CORPORATE FRANCHISE AND PERSONAL INCOME TAX HEARINGS*(Contribution Disclosure forms required pursuant to Govt. Code § 15626)*

- B1 Carl J. Lenander, III and Charlotte A. Lenander (Wise), 268514
 For Claimant: Carl J. Lenander III, Taxpayer
 Charlotte A. Lenander (Wise), Taxpayer
 For Franchise Tax Board: Suzanne Small, Tax Counsel
- B2 Joseph R. Banister, 262916
 For Appellant: Leo Masters, Attorney-in-Fact
 Joseph R. Banister, Taxpayer
 For Franchise Tax Board: Mark McEvilly, Tax Counsel

C. SALES AND USE TAX APPEALS HEARINGS*(Contribution Disclosure forms required pursuant to Govt. Code § 15626)*

- C1a Modern Mold International, Inc., 46790, 151920
 C1b Internet Design Technologies, LLC, 104735, 202260
 For Claimant: Dave Murphy, Taxpayer
 Harold Hoch, Taxpayer
 Sandra L. Schaper, CPA
 Ernest J. Dronenburg, Jr., CPA
 For Department: Sharon Jarvis, Tax Counsel
- ~~C2 Nortel Networks, Inc., 140851, 150425~~
~~For Petitioner: Suzanne Beaudelaire, CPA~~
~~Jeffrey G. Varga, Attorney~~
~~For Department: Randy Ferris, Tax Counsel~~

BOARD MEETING (convenes at 1:30 p.m.)****BOARD MEMBER ANNUAL PHOTOGRAPH****STATE-ASSESSED PROPERTIES VALUE SETTING****Property Tax Matter - "CF" Mr. Siu**

Board sets unitary values of state-assessed properties annually, on or before May 31. The Board is required to value and assess all the taxable property within the state that is to be assessed by it, pursuant to section 19 of Article XIII of the Constitution and any legislative authorization thereunder.

C. SALES AND USE TAX APPEALS HEARINGS

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

~~C3~~ ~~M C Y III Corporation, 218314~~

~~For Petitioner: Marty Dakessian, Attorney~~
~~David Moylan, Taxpayer~~
 For Department: Randy Ferris, Tax Counsel

~~C4~~ ~~International Investment Properties, Inc., 144677~~

~~For Petitioner: Dale Grewal, Taxpayer~~
~~V.S. Grewal, CPA~~
~~For Department: Kevin Hanks, Hearing Representative~~

C5 George Robert Woltring and Carol Lynn Woltring, 215707

For Petitioner: George Robert Woltring, Taxpayer
 Dennis S. Kaneshiro, CPA
 For Department: Randy Ferris, Tax Counsel

~~C6~~ ~~Fireside Corkwood, Inc., 252069~~

~~For Petitioner: Peter J. Jouganas, Taxpayer~~
~~Robert S. Jouganas, Taxpayer~~
~~For Department: Kevin Hanks, Hearing Representative~~

C7 Telmax Communications Corporation, 250368

For Petitioner: Nai-Yu Pai, CPA
 For Department: Kevin Hanks, Hearing Representative

C8 Janet Elsner (aka, Janet Pearle), 205069

For Claimant: Janet Elsner (Pearle), Taxpayer
 Nicholas Stameroff, CPA
 David Gilliam, Representative
 For Department: Sharon Jarvis, Tax Counsel

F. PUBLIC HEARING**F1 Proposed Amendments to Regulation 1698, Records.....Ms. Jarvis**

Proposed amendments to Regulation 1698, Records, will require taxpayers participating in the Tax Amnesty Program to retain records for at least ten years. The regulation language is also updated to the current correct usage of capitalized words.

ADJOURN

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If you would like specific information regarding items on this Notice and Agenda, please telephone (916) 322-2270 or e-mail: MeetingInfo@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

If substantial revisions to the published text of the regulations are approved at the hearing, the regulations will be re-published for a new hearing date. If only revisions sufficiently related to the published text of the regulations are approved, a notice containing these revisions will be mailed to those persons who commented orally or in writing or who asked to be informed of such revisions. The notice will be mailed at least 15 days prior to the scheduled Board adoption of the regulations to allow time for additional comments.

Gary Evans, Acting Chief
Board Proceedings Division

* Public comment on any committee agenda item will be accepted at the beginning of the committee meeting.

** Public comment on any agenda item, other than a Closed Session item or an item which has already been considered by a Board Committee, will be accepted at that meeting.

"CF" Constitutional Function – The Deputy State Controller may not participate in this matter under Government Code section 7.9.

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of items as they appear on the agenda. The hearing location is accessible to the disabled. If you require special assistance, please contact Gary Evans at (916) 445-4394, or e-mail Gary.Evans@boe.ca.gov, to make special arrangements.



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STATE BOARD OF EQUALIZATION MEETING

450 N Street, Room 121, Sacramento

May 24 – 25, 2005

NOTICE AND AGENDA

Wednesday, May 25, 2005

Agenda items occur sequentially. When circumstances warrant, the Chair may modify the order of the items on the agenda.

BOARD MEETING* (convenes at 9:30 a.m.)

G. TAX PROGRAM NONAPPEARANCE MATTERS – CONSENT

(Contribution Disclosure forms not required pursuant to Govt. Code § 15626)

G1 Legal Appeals Matters Mr. Smith

- Petitions for Rehearing
 1. D & G Marine, Inc., 82414, 207531, 90009
Doug Bombard Enterprises, Inc., 240445
- Hearing Notices Sent – No Response
 2. Quetel Corporation, 191205
 3. Film for Humanities & Sciences, 154632
- Petitions for Release of Seized Property
 4. Atef Hanna Abdou, 298906
 5. Chantha Thong, 298913
 6. Rehab M. Beaizak, 301718
 7. Raif Badwan, 298749
 8. Kin Sun Market, Inc., 301455

G2 Franchise and Income Tax Matters Mr. Schreiter

- Decisions
 1. BML Inc./Bayview Mortuary, 267567
 2. James A. Black, 269708
 3. John Buergel, 262871, 252219
 4. Robert S. and Mariellen Burger, 287479
 5. Louie Calles, 283984
 6. Debra K. Carroll, 272602
 7. Albert A. Cristaldo, 267651
 8. James Davidson, 258812

9. Chandrashekhar Deshpande, 260998
10. Paul D. and Lida Dlugie, 273273
11. Shaun Earl, 265365
12. Stephen and Cynthia Kirby, 261090
13. O. Jeffrey Owen, 266228
14. Kia Saidi and Mina Hossaini, 281753
- Petitions for Rehearing
15. Hal and Lesley Sandler, 251044
16. Paul W. and Peng N. Van Etten, 257679

G3 Homeowner and Renter Property Tax Assistance Matters Mr. Schreiter

- Decisions
 1. Freddie Akins, 283612
 2. R. W. Arthur, 288923
 3. Ammie Berridge, 288969
 4. Debra L. Bradley, 287012
 5. Mai Bui, 288925
 6. Kathryn L. Bullock, 288915
 7. Flora M. Busch, 287111
 8. Alice M. Elfman (Deceased), 281980
 9. Joisenatta Foster, 283707
 10. Irene A. Henderson, 283775
 11. Carl Indvik, 268780
 12. Suzan Kose, 260548
 13. Helen Luong, 284050
 14. Grace Mackey, 294988
 15. Oliver Matthews, 282733
 16. Alan Craig McDowell, 288511
 17. Stella Flora Mercado, 283240
 18. Robin A. Ngou, 284090
 19. Nellie M. Stephens, 284186
 20. Osie B. Surles, 288616
 21. Mai Tran, 285948
- Petition for Rehearing
 22. Lam Minh Le, 253615

G4 Sales and Use Taxes Matters Ms. Henry

- Redeterminations
 1. Comp USA, Inc., 234479
 2. Finova Technology Finance, Inc., 128862
 3. Union Switch & Signal, Inc., 197990
 4. Stephen Lee, 217319
 5. Valerie Ann Tashjian, 293081
 6. Bruker Daltonics, Inc., 261990
 7. The Gillette Company, 254075
 8. AEC One Stop Group, Inc., 209555
 9. The Perkin-Elmer Corporation, 250031
 10. CompUSA Stores, LP, 235176

- Relief of Penalty
 - 11. Stock Building Supply of California, Inc., 304537
 - 12. Arizona Tile, LLC, 304533
- Denials of Claims for Refund
 - 13. Farla Binder, 215671
 - 14. Universal Forms, Labels & Systems, 259705
 - 15. File Net Corporation, 303744
 - 16. Xilinx, Inc., 305033
 - 17. Powell Electrical Manufacturing Company, 281764
 - 18. Auto One Acceptance Corporation, 299292
 - 19. Triangle Systems, Inc., 206927
 - 20. ExxonMobil Oil Corporation, 290244
 - 21. Teradyne, Inc., 212947
 - 22. C.D.T. Inc., 91190
 - 23. Selbert Perkins Design, 37323

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry

- Credits and Cancellations
 - 1. One Step Ahead Productions, Inc., 304805
 - 2. Jose Arellio Ponce, 303871, 303873
 - 3. Grand Ivy, Inc., 173513
 - 4. Food Service Supplies, Inc., 289580, 300143
 - 5. Redback Networks, Inc., 300928
 - 6. James Ray Hart, 304312
- Refunds
 - 7. Arnold J. Goldman, 304968
 - 8. Nissan Motor Acceptance Corporation, 265248
 - 9. Imagic, 240599
 - 10. El Camino Resources, Ltd., 304754
 - 11. Putzmeister, Inc., 192488
 - 12. Tularik, Inc., 239628
 - 13. Portola Packaging, Inc., 190715
 - 14. Porex Medical Products, Inc., 174614
 - 15. File Net Corporation, 187574
 - 16. Kyocera Industrial Ceramics Corporation, 265081
 - 17. Xilinx, Inc., 287196
 - 18. The Golden 1 Credit Union, 297574
 - 19. Scholle Corporation, 295662
 - 20. Epsilon Trading, Inc., 294794
 - 21. Krueger International, Inc., 286296
 - 22. Ford Motor Company, 303345
 - 23. Financial Partners Credit Union, 254862
 - 24. Insurance Company of the West, 256366
 - 25. Auto One Acceptance Corporation, 299265
 - 26. Calabasas BCD, Inc., 27465
 - 27. Proquire, LLC, 303700
 - 28. Donald L. Mendel, Jr., 262551

29. Chick-Fil-A, Inc., 262558
30. Sitesmith, Inc., 243932
31. Sonnentag Desgin Group, Inc., 244201
32. Avalonbay Communities, Inc., 301150
33. Nestle USA, Inc., 220499
34. Delta Air Lines, Inc., 294790
35. Travis Credit Union, 296982
36. Wescom Credit Union, 300274
37. Party City Corporation, 239635
38. C S Business Systems, Inc., 296993
39. Lobel Financial Corporation, 297577
40. Rockwell Automation, Inc., 282914
41. Toyota Motor Manufacturing, California, Inc., 300607
42. American Investment Bank, N.A., 259396
43. Challenge Financial Services, Inc., 297579
44. Heritage Community Credit Union, 297816

G6 Special Taxes Matters Mr. Gau

- Redetermination
 1. Guardian Life Insurance Company of America, 89000894960 – “CF”
- Relief of Penalty
 2. Preferred Professional Insurance, 305565 – “CF”

G7 Special Taxes Matters – Credits, Cancellations, and Refunds Mr. Gau

- Refunds
 1. Equilon Enterprises, LLC, 253577
 2. Ultramar, Inc., 286678, 286904
 3. Core-Mark International, Inc., 297942
 4. Bel Air Mart, 299701
 5. United Services Auto Association, 285869 – “CF”

G8 Property Tax Matters Mr. Gau

- Petitions for Reassessment and Penalty Abatement of Unitary Escape Assessment
 1. Cox Communications, PCS, L.P., 253330 – “CF”
 2. Sprint Spectrum L.P., 253404 – “CF”

G9 Cigarette License Fee Matters

THERE ARE NO ITEMS FOR THIS MATTER

H. TAX PROGRAM NONAPPEARANCE MATTERS – ADJUDICATORY

(Contribution Disclosure forms required pursuant to Govt. Code § 15626)

H1 Legal Appeals Matters Mr. Smith

- Petition for Rehearing
 1. Bosch Auto Center, Inc., 150660

H2 Franchise and Income Tax Matters..... Mr. Schreiter

- Decision
 1. Azer B. Daut, 263189

H3 Homeowner and Renter Property Tax Assistance Matters
*THERE ARE NO ITEMS FOR THIS MATTER***H4 Sales and Use Taxes Matters**
*THERE ARE NO ITEMS FOR THIS MATTER***H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds..... Ms. Henry**

- Credit and Cancellation
 1. Suzanne Lee Roberts, 304963

H6 Special Taxes Matters
*THERE ARE NO ITEMS FOR THIS MATTER***H7 Special Taxes Matters – Credits, Cancellations, and Refunds**
*THERE ARE NO ITEMS FOR THIS MATTER***H8 Property Tax Matters**
THERE ARE NO ITEMS FOR THIS MATTER~~**H9 Cigarette License Fee Matters..... Mr. Smith**~~

- ~~➤ Revocations Upheld

 1. Eid H. Abdel, 299028
 2. Nhut Si Minh Luu, 300501
 3. Robert Stephen Jackson, 305219~~

I. TAX PROGRAM NONAPPEARANCE MATTERS*(Contribution Disclosure forms not required pursuant to Govt. Code § 15626)***I1 Property Taxes Matters..... Mr. Gau**

- Audits
 1. Southwest Gas Corporation, (152) – “CF”
 2. Alpine PCS, Inc. (2746) – “CF”
- Private Railroad Car Tax Refunds
 3. Kennecott Utah Copper Corporation (611) – “CF”
 - U.S. Borax, Inc. (6132) – “CF”

I2 Offers-in-Compromise RecommendationsMs. Ograd

1. Ernest L. Adamakis
2. Wageh Daoud Ishak
3. Steven Kwanghan Yoo
4. Fred Halpert
5. George P. Bacich

CHIEF COUNSEL MATTERS**J. Rulemaking**

Property Taxes..... Mr. Ambrose

~~J1 Petition to Amend Property Tax Rule 462.180, Change in Ownership Legal Entities~~

K. Business Taxes

THERE ARE NO ITEMS FOR THIS MATTER

L. Property Tax

THERE ARE NO ITEMS FOR THIS MATTER

M. Other Chief Counsel MattersMs. Cazadd

M1 Clarification of the Appeals Process as discussed in the "Civil Penalties and Appeal Procedures for Violations of AB71 – The California Cigarette and Tobacco Products Licensing Act of 2003" Informal Issue Paper

ADMINISTRATIVE SESSION

N. Consent Agenda..... Mr. Evans

N1 Approval of Board Employee Retirement Resolutions

- Michael Carl Dendorfer
- Gail Fincher
- Gregory Gale
- David L. Maxwell
- Michael Mulholland
- Janet Nickless
- Patricia Olmos
- Barbara J. Ortega
- Clinton J. Paul, Jr.
- Gary F. Platz
- Daniel Tyler

N2 Approval of Board Meeting Minutes

- February 8, 2005
- March 8 and March 9, 2005
- March 22, 2005

N3 Approval of 2004-05 Superior Accomplishment Award Nominees

N4 Approval of 2005-06 Tobacco Products Tax Rate

N5 Adoption of 4-R Act Equalization Ratio for 2005-06

N6 Approval of extensions of time to complete and submit 2005-06 Local Assessment Rolls pursuant to Revenue and Taxation Code section 155 granted to San Luis Obispo, Lassen, Calaveras and Mariposa Counties.

O. Approval of Board Committee Minutes

- O1 Customer Services and Administrative Efficiency Committee
- O2 Property Tax Committee

P. Other Administrative Matters

- P1 Executive Director's Report.....Mr. Hirsig**
 Executive Director's opportunity to report on matters of interest to the Board.

- 1. Status of Alternative Cigarette Tax Stamp Project
- 2. Status of Electronic Waste Program
- 3. Pro Bono Legal Assistance Program

ANNOUNCEMENT OF CLOSED SESSION..... Mr. Evans**Q. Closed Session**

- Q1 Discussion and approval of staff recommendations regarding settlement cases (R&T Code § 6901, 7093.5, 30459.1 and 50156.11)
- Q2 Potential litigation: *Richards, SEC., KS Dept. of Revenue v. Prairie Band Potawatomi Nation*, Supreme Court Number 04-631 (Govt. Code § 11126(e))
- Q3 Discussion and action on personnel matters (Govt. Code § 11126(a))

OPEN SESSION**ADJOURN**

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